

***Application of  
South Carolina Electric & Gas Company  
for approval of an increase in its retail electric rates  
and charges.***

***Docket No. 2002-223-E***

***Testimony of  
Eddie Coates  
Utilities Department***

***Public Service Commission of South Carolina***

**TESTIMONY OF EDDIE COATES  
FOR**

**THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DOCKET NO. 2002-223-E**

**IN RE: SOUTH CAROLINA ELECTRIC & GAS COMPANY**

**Q. PLEASE STATE FOR THE RECORD YOUR NAME, BUSINESS ADDRESS  
AND POSITION WITH THE PUBLIC SERVICE COMMISSION OF SOUTH  
CAROLINA**

**A.** My name is Eddie Coates. My business address is 101 Executive Center Drive, Columbia, South Carolina. I am employed by The Public Service Commission of South Carolina, in the Utilities Department, as a Rates Analyst.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY INVOLVING SOUTH  
CAROLINA ELECTRIC & GAS COMPANY?**

**A.** The purpose of my testimony is to summarize Staff's findings and recommendations resulting from our examination concerning the above docket. These findings and recommendations are set forth in the Utilities Department's portion of the Staff Report which pertains to the present and proposed revenues for the test year ending March 31, 2002, the rate comparison for residential, small, medium and large General Service classes and complaints received by this Commission.

**Q. MR. COATES, WHICH EXHIBITS ARE YOU SPONSORING IN THE  
UTILITIES DEPARTMENT'S PORTION OF THE COMMISSION STAFF  
REPORT?**

1 **A.** I am sponsoring Utilities Department Exhibit No. 3 through Exhibit No. 7.

2 **Q. MR. COATES, DID STAFF ANALYZE THE REVENUE EFFECT OF THE**  
3 **PROPOSED RATES ON THE COMPANY'S RETAIL CUSTOMERS?**

4 **A.** Yes, Staff verified that the rates proposed by the Company generate  
5 additional revenues of \$104,714,153 as shown on Utilities Department  
6 Exhibit No. 3. This increase is broken out for each retail customer  
7 classification including Residential, Small, Medium and Large General  
8 Service and Lighting, as well as reconnect revenue. Exhibit No. 3 also  
9 shows the test period present and proposed rate revenues, with the  
10 proposed revenues and rates to reflect an decrease in the fuel cost amount  
11 from the previously approved \$0.01722 per KWH to \$0.01678 per KWH.  
12 The total increase in revenues for the retail customers represents an 8.70%  
13 increase based on test year data.

14 **Q. WERE THE PROPOSED REVENUE INCREASES EQUAL FOR ALL**  
15 **CLASSES?**

16 **A.** No, as shown in Utilities Department Exhibit No. 3, the percent of increase  
17 ranges from 5.40% for Large General Service to 13.81% for Small General  
18 Service, with an overall average of 8.70%, for the Rate Revenue total.

19 **Q. WERE THERE ANY CHANGES PROPOSED IN THE RATE STRUCTURES**  
20 **FOR THIS CASE OTHER THAN THE INCREASES TO GAIN THE**  
21 **ADDITIONAL REVENUE?**

22 Yes, the Company also proposes modification to its monthly basic facilities  
23 charge in its residential rates, an increase of \$1.00 in Rates 1, 2, 6, and 8. In  
24 Rate 5 it would be an increase of \$1.45. The Company also proposes  
25 modification to its monthly basic facilities charge in its Small General  
26 Services Class ranging from \$0.75 to \$2.40, in its Medium General Service  
27 Class the Company proposes a \$20.00 increase and in its Large General  
28 Service Class the Company proposes a \$200.00 increase. The Company  
29 also proposes changes to its General Terms and Conditions for electric  
30 service increasing the Reconnection Fee from \$15.00 to \$25.00 during

1 normal working hours with an additional \$10.00 charge to \$35.00 for  
2 customers requesting after hours reconnection.

3 **Q. HAS STAFF MADE COMPARISONS OF THE BILLS FOR THE PRESENT**  
4 **AND PROPOSED RATES?**

5 **A.** Yes, Utilities Department Exhibit Nos. 4 shows a comparison of the  
6 Company's present and proposed Residential Rate Schedule (Rate 8) at  
7 various consumption levels for bills ranging from 0 KWH energy usage, to  
8 5,000 KWH energy consumption and includes comparable classes of service  
9 for Carolina Power & Light Company (CP&L), Duke Power Company (DUKE)  
10 and Lockhart Power Company. Exhibit No. 5 also, shows a comparison of  
11 the Company's present and proposed Residential Rate Schedule (Rate 6) at  
12 various consumption levels for bills ranging from 0 KWH energy usages, to  
13 5,000 KWH energy consumption and includes comparable classes of service  
14 for CP&L and Duke Conservation Rate. Exhibit No. 6 shows a comparison  
15 of the Company's present and proposed General Service and Industrial  
16 Service rate schedules along with comparable schedules for CP&L, Duke,  
17 and Lockhart Power. This comparison is shown for bills ranging from 3 KW  
18 demand with a corresponding energy usage of 375 KWH, to a demand of  
19 300 KW with an energy consumption of 90,000 KWH on the General Service  
20 schedule. Similarly, the Industrial Service sector is compared using a  
21 demand of 75 KW at 15,000 KWH of energy to 50,000 KW of demand and  
22 25,000,000 KWH of energy consumption.

23 **Q. WERE THE RATE SCHEDULES IN THE APPLICATION USED IN YOUR**  
24 **COMPARISONS?**

25 **A.** Yes, however, during the review of the application there were some rates  
26 that were inadvertently incorrect in a few of the Rate Schedules. In Rate  
27 Schedule10 it shows \$0.08107 when it should have been \$0.08102, Rate 14  
28 shows for the first 800 KWH for summer and winter \$0.08107, where it  
29 should have been \$0.08102, and over 800 KWH for summer shows  
30 \$0.09048, when it should have been \$0.09043, and for the winter shows

1       \$0.07637, when it should have been \$0.07632. Rate 20 shows \$0.02742,  
2       when it should have been \$0.02726. Rate 21 shows for the peak summer  
3       \$0.05004, when it should have been \$0.04988, for non-summer peak shows  
4       \$0.03277, but should have been \$0.03261, and for all off peak hours the  
5       schedule shows \$0.02426, when it should have been \$0.02410.

6       **Q. IN YOUR COMPARISON WHICH RATES WERE USED?**

7       **A.** The corrected rates were used in computing the comparison for Exhibit  
8       No. 6.

9       **Q. PLEASE EXPLAIN YOUR REMAINING EXHIBIT NO. 7?**

10      **A.** Utilities Department Exhibit No. 7 displays the customer complaints received  
11      by the Consumer Services Department of this Commission for all electric  
12      jurisdictional utilities. There were 645 complaints received against SCE&G  
13      during the test period ending March 31, 2002, 243 were billing complaints,  
14      231 were payment arrangements, 87 were disconnects, 53 were service and  
15      31 were miscellaneous complaints.

16      **Q. MR. COATES, ARE YOU MAKING A RECOMMENDATION AS TO THE**  
17      **AMOUNT OF REVENUE THAT SHOULD BE APPROVED FOR SOUTH**  
18      **CAROLINA ELECTRIC & GAS COMPANY IN THIS CASE?**

19      **A.** No, I am not making any recommendation as to the amount of revenue  
20      which should be allowed in this proceeding.

21      **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22      **A.** Yes, it does.  
23